GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2399
ANSWERED ON:09.05.2016
Challenges faced by e-Commerce Companies
Lakhanpal Shri Raghav

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government is aware that some e-Commerce companies in the country have infused immense capital from investors;

(b) if so, the details thereof;

(c) whether the Government has taken/proposes to take any measures to protect the interests of these investors including any mechanism by which they can restrict or minimize the erosion of capital occurring to small investors due to continued losses from such large companies; and

(d) if so, the details thereof and if not, the reasons therefor?

Answer

???????? ??? ?????? ???????????? (????????? ??????)(??????? ??????? ???????)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a)&(b): At present no official data on e-commerce companies is being compiled/ available.

(c)&(d): Government has prescribed adequate disclosure requirements to protect the interests of investors. Towards this objective, SEBI has framed SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('ICDR Regulations'). The ICDR Regulations permit issuer companies to freely price their securities subject to necessary disclosures in the offer document and also subject to meeting certain eligibility requirements. The following, inter alia, are the salient investor protection measures pertaining to raising of equity capital:

i) Filing of draft offer document with SEBI;
ii) Eligibility requirements for making a public issue;
iii) Minimum Promoters' Contribution and Lock-in;
iv) Appointment of SEBI registered Merchant banker and Registrar to the issue;
v) In-principle approval for listing from recognised stock exchanges;
vi) Post-issue transparency, corporate governance and listing requirements, etc.

Further, the Government undertakes consultations with Industry, Industry-bodies and other stakeholders to address the issues concerning e-commerce industry.

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